

Message Text

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PAGE 01 BRUSSE 05515 202052Z
ACTION EUR-12

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TAGS: EAGR, EAID, EEC
SUBJECT: MEASURES CONCERNING THE SUPPLY OF CERTAIN EC
AGRICULTURAL PRODUCTS TO THE ACP STATES

REF: (A) BRUSSELS 2935 (B) 77 BRUSSELS 18115
(C) 77 SUVA 521

1. IN A MARCH 8 COMMUNICATION TO THE EC COUNCIL, THE
EC COMMISSION SUGGESTS THE FOLLOWING REPLY TO A 1977
ACP REQUEST (REF C) FOR MEASURES TO FACILITATE ACCESS
TO SURPLUS COMMUNITY AGRICULTURAL PRODUCTS: BEGIN TEXT.
(A) THE COMMUNITY IS AWARE OF PROBLEMS IN THE SUPPLY OF
FOOD PRODUCTS ENCOUNTERED BY CERTAIN ACP STATES AND OF
THE DESIRABILITY OF FINDING WAYS TO INCREASE THE
SECURITY AND STABILITY OF SUPPLIES OF BASIC FOOD
PRODUCTS TO THESE COUNTRIES.

(B) IT IS FOR THIS REASON THAT, WITHIN THE FRAMEWORK OF
THE ADMINISTRATION OF THE COMMON AGRICULTURAL POLICY,
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRUSSE 05515 202052Z

THE COMMUNITY IS READY TO PUT INTO EFFECT THE MECHANISMS
AT ITS DISPOSAL WHICH WOULD PERMIT TRADERS FROM THE
COMMUNITY AND THE ACP STATES TO CONTRACT SALES OF CERTAIN
BASIC FOOD PRODUCTS UNDER TERMS WHICH SHOULD RESULT IN
GREATER STABILITY OF SUPPLY, WHILST HONORING THE GENERAL
PRICE CONDITIONS OF THE WORLD MARKET.

(C) WHERE THIS REQUIRES CERTAIN ADJUSTMENTS OF EXISTING MANAGEMENT PROCEDURES, THESE WOULD BE JUSTIFIED ONLY IN CASES WHERE WELL DEFINED AND CONCRETE TRADING INTERESTS CAN BE INDICATED. IN ORDER TO BENEFIT FROM THESE CONDITIONS, THE INTERESTED TRADERS SHOULD BE ABLE TO PROVE, AT SOME POINT IN TIME, THAT A CONTRACT EXISTS IN WHICH THERE ARE RECIPROCAL OBLIGATIONS CONCERNING THE PURCHASE OF THE AGREED QUANTITIES AND THE MAINTENANCE OF THE AGREED PRICE FOR THE PERIOD THE CONTRACT IS IN FORCE.

(D) THE TRANSACTIONS SHOULD INVOLVE QUANTITIES IN KEEPING WITH THE NEEDS OF THE RECIPIENT COUNTRIES AND SHOULD BE KEPT WITHIN THE BOUNDS OF STOCKS AVAILABLE IN THE COMMUNITY OF THE PRODUCTS IN QUESTION.

(E) NEITHER THE COMMUNITY AUTHORITIES NOR THE GOVERNMENTS OF THE ACP STATES, WOULD BE EXPECTED TO UNDERTAKE QUANTITATIVE COMMITMENTS FOR DELIVERY OR PURCHASE. IT WOULD BE THE RESPONSIBILITY OF THE IMPORTER AND EXPORTER THEMSELVES TO AGREE TO A PRIVATE CONTRACT FOR THE OPERATION CONCERNED WITHIN THE FRAMEWORK OF THE ADMINISTRATIVE MEASURES ENACTED BY THE COMMUNITY FOR THE MANAGEMENT OF THE MARKETS.

(F) IN THIS CONTEXT, A SYSTEM OF DIVERSIFIED PAYMENT WHICH WOULD DEPEND ON THE CURRENCY RESOURCES OF THE ACP STATES CONCERNED, IS INAPPROPRIATE.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BRUSSE 05515 202052Z

(G) IN THE CURRENT STATE OF AVAILABILITY, THE COMMUNITY CONSIDERS THAT THE PRODUCTS INVOLVED COULD BE COMMON WHEAT AND FLOUR, DAIRY PRODUCTS AND, TO A CERTAIN EXTENT, WHITE SUGAR.

(H) THE COMMUNITY WOULD KEEP THE ACP STATES PERIODICALLY INFORMED IN THE FRAMEWORK OF THE ACP-EEC INSTITUTIONS, OF THE RESULTS OBTAINED UNDER THIS SCHEME. END TEXT.

2. THIS COMMUNICATION (A COPY OF WHICH IS BEING POUCHED TO EUR/RPE, MC LEAN, AND USDA, SCHROETER) IS EXPECTED TO BE REVIEWED BY THE RELEVANT COREPER WORKING GROUP IN APRIL AND TO RECEIVE FINAL APPROVAL AT THE MAY 2 SESSION OF THE EC COUNCIL.

3. IN A STATEMENT INTRODUCING THE DRAFT REPLY TO THE ACP STATES (PARA 1 ABOVE), EC COMMISSION POINTS OUT THAT IT SHOULD BE POSSIBLE TO MEET THE NEEDS OF COMMUNITY'S LOME PARTNERS BY USING APPROPRIATE MECHANISMS, SUCH AS EXPORT SUBSIDIES, "WHILE AT THE SAME TIME RESPECTING THE GENERAL PRICE STRUCTURE OF THE WORLD MARKET." DEPENDING ON THE PRODUCT, ADJUSTMENTS IN EC POLICIES OF THE FOLLOW-

ING TYPES MIGHT BE ENTAILED, ACCORDING TO THE COMMISSION:
TENDERS SPECIFICALLY FOR ACP STATES, EXTENDING THE
VALIDITY OF EXPORT CERTIFICATES, LIMITING CERTAIN REFUNDS
TO GEOGRAPHICAL ZONES COVERING THE COUNTRIES IN QUESTION,
OR RE-DEFINING THESE ZONES, IF NECESSARY, TO MAKE BETTER
PROVISION FOR THE INTERESTS OF THE ACP STATES. (FYI: THE
COMMISSION ALREADY POSSESSES THE NECESSARY LEGAL
AUTHORITY TO CARRY OUT THESE ADJUSTMENTS. END FYI.) IN
ADDITION, COMMISSION POINTS OUT THAT TRADERS (WHO MIGHT
BE IN A POSITION TO BENEFIT FROM FOREGOING ARRANGEMENT)
SHOULD BE REQUIRED TO SHOW THE EXISTENCE OF A CONTRACT
AT A CERTAIN POINT INVOLVING RECIPROCAL OBLIGATIONS SUCH
AS THAT THE IMPORTER OF THE ACP COUNTRY BE REQUIRED TO
TAKE DELIVERY OF THE QUANTITIES OF THE PRODUCT CONCERNED,
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 BRUSSE 05515 202052Z

AND FOR THE EC EXPORTER TO MAINTAIN THE PRICE AT THE
AGREED LEVEL FOR THE ENTIRE LENGTH OF THE COMMITMENT.
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